
EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

FINANCIAL STATEMENTS

MARCH 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/13/10

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

FINANCIAL STATEMENTS

MARCH 31, 2010

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
East Ascension Parish Hospital Service District
Of Ascension Parish, Louisiana
Gonzales, Louisiana

We have audited the accompanying financial statements of the East Ascension Parish Hospital Service District of Ascension Parish, Louisiana (the Hospital), a component unit of the Ascension Parish Council, as of and for the years ended March 31, 2010 and 2009, which collectively comprise the Hospital's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the East Ascension Parish Hospital Service District of Ascension Parish, Louisiana as of March 31, 2010 and 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 27, 2010, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 2 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Postlethwaite & Netterville

Gonzales, Louisiana
August 27, 2010

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2010

This section of the Hospital's annual financial report presents our discussion and analysis of the Hospital's financial performance during the fiscal year that ended on March 31, 2010. Please read it in conjunction with the Hospital's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Hospital's total assets increased by \$155,000 over the course of this year's operations.
- During the year, the Hospital's revenues were \$198,000 more than the \$878,000 in expenses. The Hospital generated \$1 million in rental income and \$52,000 for interest income.
- The Hospital has net assets of \$7.8 million as of March 31, 2010.
- The Hospital remains under contract with Promise Hospital of Ascension, Inc. to lease the Hospital's premises and equipment for three 5 year periods, which are automatically renewed until terminated.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts—management's discussion and analysis (this section), and the basic financial statements. The basic financial statements include government-wide financial statements that provide both long-term and short-term information about the Hospital's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are followed by additional reports as required by *Governmental Auditing Standards*. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1 summarizes the major features of the Hospital's financial statements, including the portion of the Hospital's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2010

Figure A-1
Major Features of Hospital's Government Financial Statements

Government-wide Statements

Scope	Entire Hospital government and the Hospital's component units
Required financial statements	<ul style="list-style-type: none">• Statement of net assets• Statement of revenues, expenses, and changes in net assets• Statement of cash flows
Accounting basis and measurements focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the Hospital as a whole using accounting methods similar to those used by private-sector companies. The statements of net assets include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statements of activities regardless of when cash is received or paid.

The two government-wide statements report the Hospital's net assets and how they have changed. Net assets—the difference between the Hospital's assets and liabilities—is one way to measure the Hospital's financial health, or position.

- Over time, increases or decreases in the Hospital's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Hospital you need to consider additional nonfinancial factors such as the quality of service provided to patients and the condition of the Hospital's building and equipment.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2010

FINANCIAL ANALYSIS OF THE HOSPITAL AS A WHOLE

Net assets. The Hospital's net assets increased between fiscal years 2009 and 2010 to approximately \$7.8 million. (See Table A-1.)

Table A-1
Hospital's Net Assets

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 6,093,315	\$ 5,687,101
Capital assets	1,744,113	1,994,918
Total assets	7,837,428	7,682,019
Current liabilities	28,593	104,835
Total liabilities	28,593	104,835
Net assets		
Invested in capital assets, net of related debt	1,744,113	1,994,918
Unrestricted	6,064,722	5,615,769
Total net assets	\$ 7,808,835	\$ 7,610,687

Net assets of the Hospital's governmental activities increased 3 percent to approximately \$7.8 million.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2010

Changes in net assets. The Hospital's total revenues decreased by 2 percent to \$1 million (See Table A-2.). On March 1, 2010, the Hospital's rental income for leasing of the Hospital's building and premise decreased by \$20,000 per month.

The total operating expenses increased approximately \$311,528 or 55 percent. The Hospital entered into two intergovernmental agreements with the Ascension Parish Government and Ascension Parish School Board. These agreements were designed so that the Hospital would agree to pay for medical and mental health services that would be provided in the local schools and health unit of the parish. The total costs of these services were approximately \$513,000 during the year.

Governmental Activities

Revenues for the Hospital's governmental activities decreased by 2% from the prior year. Of the revenue received by the Hospital, 95% is attributed to rental income and 5% is from interest income.

Table A-2
Changes in Hospital's Net Assets

	Governmental Activities	
	2010	2009
Revenues		
Rental income	\$1,023,792	\$1,044,924
Interest income	52,144	78,893
Total revenues	1,075,936	1,123,817
Expenses		
Operating expenses	877,788	566,260
Total expenses	877,788	566,260
Increase in net assets	\$ 198,148	\$ 557,557

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2010

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2010, the Hospital had invested \$1,744,113 in capital assets. (See Table A-3.)

Table A-3
Hospital's Capital Assets
(net of depreciation)

	Governmental Activities	
	2010	2009
Land	\$ 70,000	\$ 70,000
Land improvements	101,446	101,446
Buildings and improvements	8,897,582	8,897,582
Equipment	3,856,353	3,856,353
Total capital assets	12,925,381	12,925,381
Accumulated depreciation	(11,181,268)	(10,930,463)
Net Capital Assets	\$ 1,744,113	\$ 1,994,918

CONTACTING THE HOSPITAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Hospital's finances and to demonstrate the Hospital's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Wayne Sheets, Chief Financial Officer, 615 East Worthey Road, Gonzales, LA 70737.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

STATEMENTS OF NET ASSETS
MARCH 31, 2010 AND 2009

	<u>ASSETS</u>	
	<u>2010</u>	<u>2009</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 5,819,288	\$ 1,074,815
Certificates of deposit	-	4,317,116
Patient accounts receivable, net of allowance	19,158	40,622
Estimated third-party payor settlements	243,100	243,100
Other current assets	11,769	11,448
Total current assets	<u>6,093,315</u>	<u>5,687,101</u>
<u>PROPERTY AND EQUIPMENT - net</u>	<u>1,744,113</u>	<u>1,994,918</u>
Total assets	<u>\$ 7,837,428</u>	<u>\$ 7,682,019</u>
	<u>LIABILITIES AND NET ASSETS</u>	
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 20,599	\$ 95,351
Accrued expenses	7,994	9,484
Total current liabilities	<u>28,593</u>	<u>104,835</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	1,744,113	1,994,918
Unrestricted	<u>6,064,722</u>	<u>5,615,769</u>
Total net assets	<u>\$ 7,808,835</u>	<u>\$ 7,610,687</u>

The accompanying notes are an integral part of these statements.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>REVENUE</u>		
Rental Income	\$ 1,023,792	\$ 1,044,924
<u>EXPENSES</u>		
Employee benefits	-	4,667
Medical and other supplies	-	39
Professional fees	557,885	234,621
Travel	5,697	3,913
Insurance	29,113	28,137
Repairs	11,454	8,634
Bad debt	20,473	-
Other	2,362	24
Loss on disposed assets	-	30,268
Depreciation expense	250,804	255,957
Total expenses	<u>877,788</u>	<u>566,260</u>
<u>OPERATING INCOME</u>	<u>146,004</u>	<u>478,664</u>
<u>NONOPERATING REVENUE</u>		
Interest income	52,144	78,893
Total nonoperating income	<u>52,144</u>	<u>78,893</u>
Increase in net assets	198,148	557,557
<u>NET ASSETS</u>		
Balance, beginning of year	<u>7,610,687</u>	<u>7,053,130</u>
Balance, end of year	<u>\$ 7,808,835</u>	<u>\$ 7,610,687</u>

The accompanying notes are an integral part of these statements.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from rental income	\$ 1,024,783	\$ 1,102,220
Cash paid to suppliers	(649,571)	(205,861)
Net cash provided by operating activities	<u>375,212</u>	<u>896,359</u>
<u>CASH FLOWS FROM CAPITAL AND</u>		
<u>RELATING FINANCING ACTIVITIES</u>		
Purchases of certificates of deposits	-	(2,049,251)
Sale or maturity of certificates of deposits	4,317,117	-
Interest income	52,144	78,893
Net cash provided by (used in) investing activities	<u>4,369,261</u>	<u>(1,970,358)</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH</u>		
<u>EQUIVALENTS</u>	4,744,473	(1,073,999)
<u>CASH AND CASH EQUIVALENTS AT BEGINNING</u>		
<u>OF YEAR</u>	<u>1,074,815</u>	<u>2,148,814</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 5,819,288</u>	<u>\$ 1,074,815</u>
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING</u>		
<u>ACTIVITIES</u>		
Operating income	\$ 146,004	\$ 478,664
Adjustments to reconcile operating loss		
to net cash provided by operating activities		
Depreciation	250,804	255,957
Bad debt	20,473	-
Loss on disposed assets	-	30,268
Changes in operating assets and liabilities:		
Patient accounts receivables	991	1,587
Estimated third-party payor settlements	-	55,709
Other current assets	33,182	(18,661)
Accounts payable	(74,752)	95,351
Accrued expenses payable	(1,490)	(2,516)
Net cash provided by operating activities	<u>\$ 375,212</u>	<u>\$ 896,359</u>

The accompanying notes are an integral part of these statements.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

East Ascension Parish Hospital Service District of Ascension Parish, Louisiana, d/b/a Ascension Hospital (the Hospital), is a not-for-profit acute care 54 bed hospital with emphasis on being a long-term care hospital. The Hospital was approved by the Ascension Parish Police Jury (Police Jury), and is a political subdivision organized under the State of Louisiana laws. The Hospital has a Board of Commissioners, who is appointed by the Ascension Parish Council, formally known as the Police Jury. On September 30, 2006, the Hospital entered into a long term lease with Promise Hospital of Ascension, Inc. that leases the Hospital building and premises to Promise for a contract term of three, five year periods which are automatically renewed until terminated.

Basis of Presentation

The accounting policies of the Hospital conform to accounting principles generally accepted in the United States of America as applicable to governments. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation, are recorded when a liability is incurred, regardless of the timing of related cash flows.

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Hospital has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Measurement Focus, Basis of Accounting

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Hospital gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Ascension Parish Council (the Council) is the financial reporting entity for Ascension Parish. The financial reporting entity consists of (a) the primary government (council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Ascension Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority, but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Council appoints all members to the Hospital's Board of Commissioners, the Hospital was determined to be a component unit of the Ascension Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Hospital and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Patient Accounts Receivable

Patient accounts receivable are reported at their outstanding unpaid balance, adjusted for any write-offs and the allowance for doubtful accounts. Interest income is not accrued on any unpaid balances.

Accounts are considered past due at the time that the balance is 30 days delinquent. Accounts are written off when management deems that they are uncollectible.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for doubtful accounts charged to earnings. Losses are charged against the allowance when management believes the uncollectability of an account is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the accounts in light of historical experience, the nature and volume of the accounts, and the agreements with the respective third-party payers.

Statement of Revenue and Expenses

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as operating revenues and expenses. Peripheral or incidental transactions are reported as nonoperating revenue.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Property and equipment donated for hospital operations are recorded as additions at fair value at the date of receipt when the assets are placed in service.

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. The buildings and improvements are being depreciated over 25 to 50 years, land improvements over 20 years, and equipment over 5 to 20 years. Maintenance and repairs are charged to expense, and improvements are capitalized. Gains and losses from sales or retirements are recognized in the period of disposition.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less, excluding amounts whose use is limited by board designation or those amounts with third-party payers.

Risk Management

The Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. The Hospital continues to carry commercial insurance for all other risks of loss.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

2. CUSTODIAL CREDIT RISK- DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of March 31, 2010, none of the bank balances were exposed to custodial credit risk.

3. COMMITMENTS AND CONTINGENCIES

As of March 31, 2010, no material lawsuits are pending against the Hospital.

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

4. PROPERTY AND EQUIPMENT

A summary of property and equipment at March 31, 2010 and 2009, follows:

	Balance 2009	Additions	Deletions	Balance 2010
Land	\$ 70,000	\$ -	\$ -	\$ 70,000
Land improvements	101,446	-	-	101,446
Buildings and improvements	8,897,582	-	-	8,897,582
Equipment	3,856,353	-	-	3,856,353
	12,925,381	-	-	12,925,381
Less: accumulated depreciation	10,930,463	250,804	-	11,181,268
Property and equipment – net	<u>\$ 1,994,918</u>	<u>\$ 250,804</u>	<u>\$ -</u>	<u>\$ 1,744,113</u>

Depreciation expense for the years ended March 31, 2010 and 2009 amounted to \$250,804 and \$255,957, respectively.

5. OPERATING LEASE COMMITMENTS

On September 30, 2006, the Hospital began leasing its building and premises to a tenant under a noncancelable operating lease with a term of five years. The lease has an automatic renewal clause for successive five periods up to a maximum of three five year periods, unless a notice of termination is given by the lessee at least 120 days before the expiration of the renewal term. The Hospital is currently in the first term of the lease agreement. The following is a schedule by year of future minimum rental on this lease at March 31, 2010:

Year Ending March 31	Minimum Payments
2011	\$ 759,996
2012	759,996
2013	759,996
2014	759,996
2015	759,996
Thereafter	4,940,000
	<u>\$ 8,739,980</u>

6. INTERGOVERNMENTAL AGREEMENT

The Hospital has a twelve month intergovernmental agreement with the Ascension Parish Council and Ascension Parish School Board. The Hospital provides funding for various types of mental health and medical services to local schools and health units. As of March 31, 2010, total cost for these services was \$512,782.

7. SUBSEQUENT EVENT

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 27, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
East Ascension Parish Hospital Service District
of Ascension Parish, Louisiana
Gonzales, Louisiana

We have audited the financial statements of the East Ascension Parish Hospital Service District of Ascension Parish, Louisiana, component unit of the Ascension Parish Council, as of and for the year ended March 31, 2010, which collectively comprise of the East Ascension Parish Hospital Service District's basic financial statements and have issued our report thereon dated August 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered East Ascension Parish Hospital Service District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the East Ascension Parish Hospital Service District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the East Ascension Parish Hospital Service District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether East Ascension Parish Hospital Service District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Board of Commissioners, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Gonzales, Louisiana
August 27, 2010

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion of the financial statements of East Ascension Parish Hospital Service District of Ascension Parish, Louisiana.
2. No significant deficiencies relating to the audit of the financial statements were reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of East Ascension Parish Hospital Service District of Ascension Parish, Louisiana were reported.

B. FINDINGS-FINANCIAL STATEMENT AUDIT

NONE

C. NON COMPLIANCE

NONE

EAST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2010

A. FINDINGS-FINANCIAL STATEMENT AUDIT

None

B. NON COMPLIANCE

None